

**BOARD OF PUBLIC WORKS
PUBLIC HEARING
SCHEDULE OF RATES & FEES
JUNE 20, 2022
4:00 P.M.**

At the appointed time, Mr. William Fisher called the Public Hearing to order.

Paul Trenhaile welcomed everyone to the meeting and stated the purpose of the Public Hearing was to receive public comment on the following proposed changes to the current Schedule of Rates & Fees:

- Increase water rates approximately 3.5% which will raise the average residential customers' water bill approximately \$1.47 per month
- Add a septic hauler dumping fee for large loads that are difficult to treat. The proposed fee is \$0.08 cents per gallon with a maximum of \$400

Customer Comments

No Comments

There being no further comments from the audience, Bill Dees made a motion to adjourn. Motion seconded by John Ortwerth and carried unanimously. The Public Hearing was adjourned at 4:05p.m.



Darrin Gordon
General Manager



William Dees
Secretary

BOARD OF PUBLIC WORKS

Regular Board Meeting

Monday, June 20, 2022
Time: 4:05p.m.

Present:	William Fisher	President
	John Ortwerth	Vice President
	Bill Dees	Secretary
	Melissa Cogdal	Board Member
	Darrin Gordon	General Manager
	Mathew Munzlinger	Director of Operations
	Courtney Harris	Administrative Support Specialist
	Paul Trenhaile	Finance Director
	Matthew Jones	Senior IT Specialist
	Chris Dawson	GDS
	Kyle Haemig	GDS
	Corey Mehaffey	HREDC
	Mike Dobson	City Councilman

CALL TO ORDER

The meeting was called to order at 4:05p.m. by William Fisher.

INVOCATION & PLEDGE OF ALLEGIANCE

The invocation was given by William Fisher.

CONSENT AGENDA

- A) Minutes – May 17, 2022
- B) Payrolls – May 20, 2022 & June 3rd & 17th, 2022
- C) Claims – May 2022

On motion of Bill Dees, seconded by John Ortwerth the Board voted unanimously to approve the Consent Agenda.

COMMENTS FROM THE AUDIENCE

NONE

GENERAL MANAGERS REPORT

Mr. Gordon reported the Electric industry is seeing unprecedented volatility. The MISO Planning Resource Availability Auction, or "Capacity Market" has turned out a cost per megawatt hour approximately 50 times higher than historical costs. MISO reports the reason for the volatility is a combination of early generator retirements, changes to the generation resource mix and increased demand for electricity across the MISO area. This cost is going to be absorbed by the HBPWs current reserve fund for the 2022-2023 fiscal year. The amount coming from the reserve fund will be approximately \$3.4 million. Mr. Gordon noted Kyle Haemig from GDS will be presenting information regarding strategic planning for the current power supply.

Kyle Haemig, GDS presented information regarding "Strategic Planning" for purchase power costs. The review included Current Power Supply Costs & Resources, Recent Experience, Industry Trends, Outlook for Capacity & Energy, Power Supply Strategy, & the Next Steps. Discussion was held between Board members regarding the next steps and anticipation of the volatility that is projected to continue the next 2-3 years.

Mr. Gordon voiced customers can do their part by reducing electric loads during peak usage times (typically between 2:00p.m. and 6:00p.m.). HBPW customers can also adjust their thermostat by just a few degrees (up in the summer and down in the winter), turn the lights off whenever possible, and run larger appliances during non-peak times. In addition, the HBPW website has "Ways to Save" for more suggestions, customers can sign up for news bulletins, and also follow HBPW social media for the most current information.

OPERATIONS REPORT

Mathew Munzlinger reported the overall availability rate for the past 12 months was 99.992% with 8 electric outages for the month of May. Mr. Munzlinger voiced the HBPW is continuing to reap the benefits from the tree trimming service.

Mathew Munzlinger reported the water production for the month of May 2022 was higher than previous years and months. There were no anomalies in the amount of water produced or anything that would indicate issues within the plant or major leaks within the system.

Mathew Munzlinger reported the GAC changeouts occurred at the beginning of June at the Water Treatment Plant.

Mathew Munzlinger reported MDNR is currently working on the NPDES permit renewal. They have not provided an estimated completion date.

Mathew Munzlinger reported the chemical bids opening occurred last Friday, June 17th. Mr. Munzlinger noted chemical prices are expected to increase significantly.

Mathew Munzlinger reported annual Pretreatment inspections of the permitted industries took place the week of June 13th.

Mathew Munzlinger reported the Sewer crew repaired (2) SSO's for the month of May and one of those was due to a transducer failure at a lift station. The crew is also working on evaluating the Patchen Street Lift Station.

PROJECTS REPORT

Mathew Munzlinger presented the Board with an updated progress report including projects from the Electric, Water System, Water Treatment Plant, Sewer System, Wastewater Treatment Plant and Stormwater. Mr. Munzlinger noted the progress of these projects and studies are acceptable and will continue as weather permits.

FINANCIAL REPORT

Paul Trenhaile presented the Board with the financial results for the month of May 2022, year to date results, and key financial ratios. Mr. Trenhaile presented the Dashboard presentation to the Board as a review of Key Performance Indicators trailing the last six months.

UNFINISHED BUSINESS

Schedule of Rates & Fees – Paul Trenhaile

Paul Trenhaile presented the proposed new Schedule of Rates and Fees. Mr. Trenhaile noted the proposed changes include:

- Increasing water rates approximately 3.5% to coincide with the recommendations from United Financial Solutions cost-of-service study that was completed in 2018. This was done after the loss of Ralls County PWSD #1 as a top 5 customer and the addition of new debt associated with the new GAC filtration process. Mr. Trenhaile noted the new revenue is allocated 60% to usage charges and 40% to customer charges. As a reminder, the new debt requires the Water Fund to maintain a 1.25 debt service coverage ratio.
- Add a septic hauler dumping fee for larger loads containing waste that is more difficult to treat. Mr. Trenhaile noted the fee would be \$0.08 per gallon with a maximum of \$400.

Mr. Trenhaile voiced Management requests the Board approve the Schedule of Rates & Fees as presented. The new rates and fees would take effect July 5, 2022, which coincides with the first billing of Fiscal Year 2023.

On motion of Bill Dees, seconded by Melissa Cogdal the Board voted unanimously to approve the Schedule of Rates & Fees as presented to take effect July 5, 2022.

NEW BUSINESS

Electric Risk Management Policy & Electric Hedging Policy Draft – Darrin Gordon

Darrin Gordon presented the drafts of the Electric Risk Management policy and the Electric Hedging policy. Mr. Gordon asked the Board Members to please review and submit any recommended changes prior to the next regular Board meeting.

Surplus of Equipment – Mathew Munzlinger

Matt Munzlinger reported the HBPW annually evaluates vehicles, equipment, and other items to see if they are still needed and are in working order. Mr. Munzlinger noted items which are no longer needed are offered to other City Departments before being disposed of through a bid process. Mr. Munzlinger presented a list of items and recommended they be declared surplus, and to proceed with the disposal process through Purple Wave.

On motion of John Ortwerth, seconded by Bill Ortwerth the Board voted unanimously to approve the Surplus of Equipment as presented to be sold through Purple Wave.

CITY ATTORNEY – PENDING MATTERS

NONE

GENERAL DISCUSSION

NONE

CLOSED SESSION

Bill Dees made a motion to convene in closed session, in accordance with Section 610.021(2)(12) of the Missouri Sunshine Law, to convene in closed session to discuss Real Estate & Contracts admitting William Fisher, Bill Dees, John Ortwerth, Melissa Cogdal, Darrin Gordon, Mathew Munzlinger, Paul Trenhaile, & Courtney Harris. Motion seconded by John Ortwerth. ROLL CALL: AYES: Board Members, Bill Fisher, John Ortwerth, Bill Dees, and Melissa Cogdal. NAYS: 0.

ADJOURNMENT

Bill Dees made a motion to adjourn. Motion seconded by Melissa Cogdal and carried unanimously. The meeting was adjourned at 6:25p.m.



Darrin Gordon
General Manager



William Dees
Secretary